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SPECIAL COMMITTEE ON STADIUM COMMUNITY BENEFIT AGREEMENT

Meeting Minutes - Amended

**August 13, 2024
3:00 p.m.**

Location: Henry Cook Room, 1st floor, City Hall

In attendance: Committee Members Raul Arias (Chair), Jimmy Peluso (Vice Chair), Will Lahnen, Nick Howland, Ken Amaro (arr. 3:05)

Excused: Committee Member Tyrone Clark-Murray

Also: Council Members Randy White, Ron Salem, Michael Boylan, Joe Carlucci; Maritza Sanchez – Legislative Services Division; Kim Taylor – Council Auditor’s Office; Jeff Clements – Council Research Division; Mary Staffopoulos, Shannon MacGillis – Office of General Counsel; Darnell Smith, Joe Inderhees, Bill Delaney, Tracey Polson, Mike Weinstein – Mayor’s Office; Anna Brosche – Finance Department

Meeting Convened: 3:03 p.m.

Chairman Arias convened the meeting and the attendees introduced themselves for the record. Mr. Arias said he hoped the committee would be able to wrap up its work today and consider proposed amendments to pending ordinance 2024-905.

Council Member Peluso said a future version of this special committee will get into the fine details of how the Community Benefit Agreement (CBA) funds will be administered and spent. He would prefer to see more up-front funding for the Eastside and a reduced tax increment finance (TIF) percentage. He distributed and discussed a proposed allocation of the funding and five proposed amendments: 1) fund the Eastside initiatives at \$35M over 3 consecutive fiscal years; 2) allow the \$1M per council district allocations to be spent on any type of capital improvements (not just a single recreation project); 3) allocate \$1M to each of the at-large council members in FY27-28 for any type of capital improvement projects anywhere in the county; 4) fund the Countywide Initiatives (workforce development, affordable housing, homelessness) at \$10M per year over 4 years; 5) create an Urban Infill and Redevelopment Area (UIRA) tax increment district to retain 75% of new revenues above the baseline year for 20 years.

Council Member Howland said he opposes creating general “buckets” of funding without specific spending plans and dollar amounts. He recommended at least allocating funds by percentages of the total by years to specific uses. Chairman Peluso said he wants more specificity on the spending as well, but that doesn't seem to be the charge for this special committee – it seems the fine details will come later with an extended or reconstituted committee.

Mary Staffopoulos of the Office of General Counsel reviewed the proposed Eastside TIF map and the funding commitments by years in the supplemental CBA: \$50M for Countywide Strategic Focus over 4 years; \$30M for Eastside Strategic Focus over 3 years, and \$14M for city council district CIP projects in year 1. The Eastside TIF is proposed at 95% of new incremental tax revenue over 30 years starting with the stadium lease effective date. She said the supplemental CBA contains the basic framework of the deal, while the finer details probably should not be in the CBA and would be dealt with later as plans are further developed. Ms. Staffopoulos reviewed Mr. Peluso's proposed allocations and timeframe for expenditure. Mr. Peluso said he didn't intend to propose that anything be spent earlier than the original CBA plan; some of the fiscal years in his chart may have been in error.

Ms. Staffopoulos summarized Mr. Peluso's proposed amendments: 1) shift \$5M from countywide initiatives to the Eastside initiatives (\$35M/\$45M rather than \$30M/\$50M) in FY25/26; 2) fund council district capital allocations at \$14M (\$1M per district) for any capital use, not restricted to recreational projects, in FY26-27; 3) fund the 5 at-large council members at \$1M each for any capital use countywide; 4) fund the countywide workforce, affordable housing and homelessness initiatives at \$10M/year for 3 years (\$30M total, not \$40M); 5) establish the UIRA to collect a tax increment of 75% for 20 years, not 95% over 30 years.

Council Member Amaro asked what can be unilaterally changed from how the CBA was originally negotiated and what would require the approval of the Jaguars. Ms. Staffopoulos said this CBA proposal maintains the integrity of the 3 focus areas and the relative balance between countywide and Eastside impact programs, and these all use City funds. She said Mike Weinstein, the City's negotiator with the Jaguars during the stadium contract negotiations, may be able to offer some perspective about the negotiations and the Jaguars' preferences.

Council Member Howland said he doesn't want a \$1M capital allocation as an at-large council member because the Council controls the CIP and can do what it wants as far as capital projects, but if the other at-large members want to have that allocation then he would not object. He repeated his opposition to funding general “buckets” without specific plans. Mr. Howland said he assumes that ad valorem tax collections will go up in the Eastside TIF area because over \$1B is being invested in the stadium area. He would prefer to see a declining TIF percentage over time as property values grow. Council Member Peluso said he didn't know the UIRA rules and whether the rate could decline over time – that's why he recommended going from 30 years down to 20 years for the TIF. He said he would be comfortable with reducing the TIF rate faster if another \$5M could be shifted from countywide to Eastside uses. Ms. Staffopoulos said she's not seen a TIF rate scale down over time and would have to research that possibility.

Mike Weinstein said the negotiations with the Jaguars dealt with providing a revenue stream and estimating revenue amounts without going into a lot of detail. He recommended keeping the TIF process local and not using the process and restrictions of the state statutes to create a TIF or UIRA – just make a local policy commitment to allocate 75% of the tax increment in the Eastside to that area. He said he believed the Jaguars would not object to the changes being discussed today because they seem to be within the spirit of what was negotiated. Council Member Amaro said he would agree to a 20-year term for the TIF because he believes redevelopment will produce substantial revenue. He doesn't see that the proposed amendments provide any better outcome than the original supplementary CBA.

Council President White advocated for letting council members use their \$1M allocations outside their districts if they desire and allowing at least some of it to be used to support non-profit organizations, not just capital projects.

Chairman Arias said he likes Peluso amendment #1 and President White's proposed amendment to the amendment regarding use of council member funds by non-profits, but doesn't want to set a precedent for creating too many TIFs around the county. Ms. Staffopoulos said there are pros and cons to creating a local TIF structure outside of the state statutes – there are fewer restrictions, but also fewer guardrails as well. Mr. Arias asked if the TIF is required by the CBA; Ms. Staffopoulos said the CBA requires a good faith effort by the City Council and that's what the special committee is doing. Mr. Arias asked to take the TIF mechanism out of this proposal and deal with that after this bill is passed. Council Member Howland said the existing state law CRAs work well, and the JIA CRA worked so well that it was recently sunset. He suggested considering taking away an existing CRA if a new one is created in the Eastside, possibly the Southbank CRA which has been doing very well. Mr. Arias said the Eastside is going to get lots of funding from the CBA, so he agrees with putting off discussion of a new TIF to a later date. Council Member Peluso said the UIRA accomplishes the goal and that's what the Eastside needs to keep developing. He said if the City doesn't invest there then it won't generate new development and the General Fund doesn't get new revenue. He said Jacksonville has far fewer TIFs than many other cities and counties in Florida.

Council Member Amaro asked for clarity on whether the proposal is to eliminate the TIF altogether or just delay the discussion for a time. Chairman Arias said it is to delay discussion until a subsequent CBA special committee discusses it as part of the finer details of how the CBA will operate. Council President White said the Council needs to vote on a CBA plan at its August 27th meeting in order to get it transmitted to the NFL in time for the owners meeting in October. The Council can discuss further details after that transmission is made.

Mary Staffopoulos said she and Council Auditor Kim Taylor are taking notes of the discussion and will develop a spreadsheet of all the proposals made today for discussion and votes at a final meeting of the special committee.

Council Member ~~Howland~~ Lahnen said the current plan is a big commitment on the part of the City for the next 4 years when there are lots of other big expenditures coming up during that time. He is not in favor of the \$1M allocation for each council district because the Parks and Recreation Department has a healthy budget. He wants to maximize the Jaguars' match while holding the City contribution down as much as possible in consideration of the looming budget deficits over the next few years. He proposed eliminating the \$14M allocation for council district spending and spreading the remaining City contribution of \$80M over 33 years at a rate of \$2.4M per year.

Mary Staffopoulos offered to make a spreadsheet with all proposed amendments for discussion and voting at the next meeting. Council Member Peluso said he would be agreeable to cutting the \$14M for council district spending to \$7M (\$500,000 per district) and the \$7M savings could go to Eastside and possibly be spread out over another year or two. He doesn't want to leave any Jaguars matching money on the table. Council Member Boylan said there is value in having council member-controlled district specific funds so they can use them to help fund Public Works and Parks Department projects that are underfunded and incomplete. President White said he is agreeable with the district funding reduction.

Chairman Arias asked Kim Taylor if the City could use existing revenues to get the Jaguars' matching funds without having to borrow new money. Ms. Taylor said there was \$30M proposed in next year's budget related to the subject of these initiatives, which has been reduced to \$14.2M after the Finance

Committee's actions in last week's budget hearings. She believes those funds could count toward the City match but doesn't know what the Jaguars would think of that or if they would care about the source of the City's funds. Mr. Arias advocated for use of those funds for the match. In response to a question from Council Member Arias about who in the City government will be the liaison with the Jaguars to decide how they spend their dollars, Ms. Staffopoulos said the Jaguars funds will never come into the City budget. The team has committed to the allocations for Eastside and countywide initiatives. The City will appoint a liaison to deal with the team regarding the CBA. Mike Weinstein said that during the negotiations the Jaguars didn't want to be besieged with groups seeking a portion of their allocation - they wanted to give the funds to the City to expend for the agreed goals. Mr. Arias said he wants to have all the funds come through the City for appropriation. Ms. Staffopoulos said the original CBA does not provide for the team's money to come to the City for expenditure, so that may be a business term that the Jaguars would want to weigh in on. Mr. Arias said either \$1M or \$500,000 per council district is really a drop in the bucket and doesn't make a difference in the context of the entire agreement, so he recommended keeping the \$1M per district. He said the subsequent CBA committee will work out all the details based on the general parameters established by this committee's work.

Council Member Howland said he will propose an amendment to make FY24-25 budget funds the City's match to Jaguars' contributions, not additional new funds. He said he would also like to see contributions by the City's independent authorities count toward the City's match for the Jaguars' funds. He suggested possibly reallocating some of Jacksonville Transportation Authority's Emerald Trail funds as an example, and posed the idea of a Jacksonville Aviation Authority contribution to an FSCJ aviation workforce training initiative. Ms. Staffopoulos said those proposals are not relevant to the current discussion about the funding "buckets" - the City will decide how it fulfills its obligations to fill the "buckets" at a later date. Council Member Peluso asked when the agreement becomes effective. Ms. Staffopoulos said after it is passed by the City Council, signed by the Mayor, and the CBA document is executed by all parties. Mr. Peluso said he thinks the CBA should be funded with new money, not things the City was already planning or was committed to do anyway. Council Member Lahnen recommended adding a financial protection mechanism for the City in case of difficult economic conditions - perhaps a contribution exemption if property tax revenues fall below X% in a year - since we're committing to funding for a very long time. Chairman Arias said the objective is to get the maximum match from the Jaguars and to use whatever funding is available to achieve that.

Public Comment

Daniel Nonn said the council has the ability to do something transformational for the Eastside after decades of neglect and that's what the TIF is about. The neighborhood wants the structure and discipline of a full-fledged TIF.

Jackie Lattimore said she opened a business on the Eastside on a brownfield site and is getting ready to build apartments and townhomes in the area and is partnering with LiftJax.

Cindy Funkhouser said Jacksonville has a once in a lifetime opportunity - don't rob Peter to pay Paul by choosing the cheap way out. The committee talked yesterday about the homelessness and affordable housing problem not being bad in Jacksonville - that's wrong. It is a huge problem. Don't shortchange the affordable housing and homelessness initiatives.

Larry Swenk said Jax Electric Supply will benefit greatly from the Four Seasons Hotel and the stadium renovation projects. He wants to see the \$30M commitment to the Eastside stay in the agreement.

Ariane Randolph said she doesn't agree with taking the UAIR or TIF out of the CBA. The fact that it hasn't been done before doesn't mean it shouldn't be done.

Mike Weinstein said if the Council's goal is the smallest impact on the current budget, then that means a small impact to the Eastside, not something transformational. If the Council wants simplicity and local accountability for a TIF district then just do a REV grant that Council controls to give a defined amount of tax revenue back to the area based on factors such as a dollar amount, rebate percentage, number of years, etc.

The special committee's next meeting will be on August 26th at 9 a.m.

Meeting adjourned: 4:27 p.m.

Minutes: Jeff Clements, Council Research Division

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8.30.24 Posted 3:45 p.m.